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FISCAL IMPACT STATEMENT

LS 6728

BILL NUMBER: SB 296

NOTE PREPARED: Dec 29, 2011

BILL AMENDED:

SUBJECT: Certified Scholarship Program Eligibility.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an individual enrolling in Grade 8 is eligible for a scholarship from a scholarship program that is certified by the Department of Education.

Effective Date: July 1, 2012.

Explanation of State Expenditures: The bill could increase the number of students that are eligible to receive a scholarship from a scholarship-granting organization (SGO). These scholarships are privately funded and will not directly impact the state.

Background Information: As of July 28, 2011, there were four approved school scholarship programs in the state. Under current statute, besides the residency and income requirements, students eligible for an SGO scholarship must meet at least one of the following conditions:

1. Individual is enrolling in kindergarten.
2. Individual was enrolled in a public school during the preceding school year.
3. Individual received an SGO scholarship in the previous year.
4. Individual received a school scholarship for the previous year.

This bill would allow an eighth grade student in private school to apply for an SGO scholarship, whereas prior to this, only public school students could apply for these scholarships in most instances.

The bill could have an *indirect* impact on the state if the private school student received a scholarship from a scholarship-granting organization in the eighth grade and then applied for a Choice Scholarship in the ninth

grade since the eligibility for Choice Scholarships (IC 20-51-1-4.5) includes individuals who have received a scholarship from an SGO in the prior school year. For FY 2011, there were about 5,234 eighth grade students attending private schools. It is unknown how many eighth grade students have family incomes not more than 200% of the amount required to qualify for the federal free or reduced price lunch program, in order that they might qualify for a scholarship from a scholarship-granting organization.

For the 2011-12 school year, 537 students that received a scholarship from a scholarship-granting organization the year before are receiving a Choice Scholarship, so the impact is probably minor. The average Choice Scholarship for FY 2012 is about \$4,313.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education databases.

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